

DNR NEWS

Energy and Waste Management Bureau

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ALL PRODUCT PRICES RISE IN EARLY FEBRUARY, THEN STABILIZE

DES MOINES — Gasoline prices increased 22 cents from January to an average of \$1.61 for a gallon of self-serve, regular unleaded gasoline, according to the DNR's February 19 Gas Monitors survey. Prices across the state ranged from \$1.50 to \$1.70 per gallon and are \$0.51 higher than this time last year. The average price for regular unleaded with ethanol was \$1.60 per gallon. The latest data shows ethanol-blended gasoline represents 61.7 percent of the market share.

Retail conventional unleaded gasoline prices in Iowa are \$0.02 lower than the national average of \$1.63, and \$0.05 lower than the regional average of \$1.66 per gallon.

Gasoline prices rose sharply in early February, due to increasing worries about a near-term war in Iraq and lower supplies, but have remained relatively steady for the past two weeks. The Venezuelan oil worker's strike is beginning to ease, but crude oil and gasoline production remain well below pre-strike levels. A new oil workers strike in Nigeria is not expected to affect oil production or exports. However, domestic refineries have been undergoing annual maintenance and are concentrating on producing heating oil, resulting in less gasoline supply.

"Gasoline prices could move higher if the oil workers strike in Nigeria worsens or there are major problems in the refining sector," said Jennifer Moehlmann, energy data analyst for the DNR. "Supply is very tight and any disruptions could provoke a spike in prices, but we don't expect any shortages. Consumers who are worried about high prices are urged to adopt energy efficiency strategies – driving at the speed limit, tuning up their vehicle and ensuring tires are properly inflated. Combining trips or using mass transit are other options."

The average price of self-serve diesel fuel for January was \$1.71, up \$0.20 from last month. Diesel fuel was \$1.19 per gallon one year ago. Diesel fuel prices have remained strong due to rising crude oil costs.

Crude oil finished trading on February 19 at \$37.18 per barrel, the highest level since September 2000 and up \$3.52 from last month. One year ago, crude was \$20.28

per barrel. National crude oil inventory is at 272.9 million barrels, down 14.4 percent from the previous year. The DNR expects crude oil prices to remain volatile over the next month, with prices averaging \$34 to \$38 per barrel, but prices could spike to more than \$40 per barrel if tensions in Iraq increase.

Propane

The February 17 survey found the average price of propane was \$1.05 per gallon. This is up \$0.13 from the previous month and \$0.21 (25.5 percent) above the price of propane at this time last year. The price increase was caused by increased demand from colder weather across the U.S. and higher oil prices.

Heating Oil Prices

The February 17 survey found the average price of No.2 heating oil was \$1.30/gallon, \$0.17 higher than last month and \$0.46 above the price of heating oil at this time last year. A year ago, the average price was \$0.84 per gallon. The price increase was caused by increased demand from colder weather across the U.S. and higher oil prices. The Department expects heating oil prices to level off over the next month as prices are supported by weather-related demand and higher crude oil prices, and prices should even begin to decline in early spring, barring any severe or sustained cold weather.

MOTOR FUELS SURVEY

Self-Serve	January 16	February 19	Change
Regular Unleaded	1.39	1.61	+0.22
Regular Unleaded with Ethanol	1.38	1.60	+0.22
Premium Unleaded	1.48	1.71	+0.23
Diesel	1.51	1.71	+0.20
Full-Serve	January 16	February 19	Change
Regular Unleaded	1.60	1.70	+0.10
Regular Unleaded with Ethanol	1.64	1.69	+0.05
Premium Unleaded	1.68	1.83	+0.15
Diesel	1.57	1.71	+0.14

HEATING FUELS SURVEY

	January 13	February 17	Change
Propane	0.90	1.05	+0.15
#2 Heating Oil	1.13	1.30	+0.17

AVERAGE SELF-SERVE UNLEADED PRICES IN MAJOR CITIES

	January 16	February 19	Change
Ames	1.40	1.66	+0.26
Cedar Rapids	1.33	1.52	+0.19
Council Bluffs	1.34	1.58	+0.24

Davenport	1.36	1.59	+0.23
Des Moines	1.38	1.58	+0.20
Dubuque	1.41	1.59	+0.18
Fort Dodge	1.46	1.67	+0.21
Iowa City	1.42	1.63	+0.21
Sioux City	1.39	1.60	+0.21
Waterloo	1.35	1.61	+0.26
Average Metro Price	1.38	1.58	+0.20

AVERAGE SELF-SERVE UNLEADED PRICES IN RURAL IOWA

	January 16	February 19	Change
Northeast	1.39	1.62	+0.23
Northwest	1.45	1.64	+0.19
Southeast	1.36	1.63	+0.27
Southwest	1.41	1.63	+0.22
Rural Area Average	1.41	1.63	+0.22

Wholesale Prices in Metropolitan Areas Around Iowa

Unleaded (cents per gallon)	January 9	February 6
Des Moines	89.47	105.47
Dubuque	90.03	106.03
Diesel Fuel (cents per gallon)	January 9	February 6
Des Moines	89.89	102.28
Dubuque	90.35	102.99

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